MDOT SMALL URBAN PROGRAM INFORMATION AND INSTRUCTIONS

Cities, villages, transit agencies, and road commissions located within or serving urbanized areas as defined by U.S. Census with a population of 5,000 to 50,000 are eligible to receive federal Surface Transportation Block Grant Program (STP) funds from the Small Urban Program. During a call for projects, the Michigan Department of Transportation (MDOT) requests that eligible areas submit road and transit capital projects for funding consideration.

PROGRAM WEBSITE

Program information and an electronic project application form can be found on the Small Urban Program website, available at MDOT - Small Urban (michigan.gov)

ELIGIBLE PROJECTS

Road and transit capital projects are eligible for funding under the Small Urban Program. All road projects must be located on the federal-aid highway system and within the federal urban area boundary. Projects must be consistent with regional land use and development plans. Contact the appropriate state planning and development region agency for your area to ensure projects are consistent with regional land use and development plans (contact information available on the website).

Copies of urban area maps displaying federal-aid eligible routes and route classification are available from the small urban website.

Transit projects eligible for Federal Transit Administration (FTA) capital funds are also eligible for STP funding. Examples include replacement buses, fleet rehabilitation, communication equipment, and facility renovations, among others.

The Small Urban Program will continue to fund eligible urban areas on a rotating basis. This provides for an equitable distribution of funds statewide to ensure that eligible communities can implement meaningful projects. The department intends to continue this practice to the extent possible within the spirit and intent of the current federal regulations.

To achieve this objective, urban areas may submit for up to \$375,000 for FY 2022 and FY 2023, and \$385,000 for FY 2024-2026 federal STP per project. All projects require a 20 percent non-federal match. The local match cannot be a soft match or an in-kind match.

LOCAL PROJECT SELECTION COMMITTEE

The following agencies must be included in the local project selection and prioritization process:

- 1). City or village government(s)
- 2). Transit provider(s)
- 3) County road commission(s)

It is the responsibility of the Regional Planning Agency (RPA) to contact all required agencies and provide an opportunity for all agencies to participate in the project selection process. Project proposals will not be considered for funding unless all selection committee agencies are involved in the selection process.

The urban area committee's priority ranking will facilitate selection of the most needed projects statewide. Minutes of the project selection meeting must be submitted with the project proposal(s) as an indication of the participation and consensus building effort.

If the urban area boundary includes tribal land, it is the responsibility of Regional Planning Agency to provide an opportunity for the tribal government to comment on the proposals. Projects will not be considered without evidence that tribal governments were consulted in the review process, where applicable.

SMALL URBAN AREAS WITHIN AN MPO BOUNDARY

Small urban areas within a Metropolitan Planning Organization (MPO) boundary must consult with the local MPO (a list of small urban areas within an MPO is on the website). If a project is selected for funding within an MPO, it must be included in the MPOs Transportation Improvement Program (TIP). When a Small Urban project is selected within an MPO, please contact the MPO to make sure the project will be added to the appropriate MPO TIP.

PROJECT PRIORITIZATION

Projects submitted, regardless of agency, must be prioritized by small urban area by the project selection committee. The Small Urban committees will meet and select project(s) for the years that they receive funding. On the MDOT forms (2606 for road or 2638 for transit), the committee will indicate the year that the project will be obligated. After the committee has selected projects for the full available funding, the committee can then select illustrative projects, as potential backup projects, or if additional funding becomes available. If multiple projects are selected, then the projects must be prioritized as "1," "2," and "3".

PROJECT APPLICATION

Once project(s) are agreed upon and prioritized by the small urban area selection committee, a project application form (2606 or 2638) must be completed for each project.

For road projects, applications are restricted to construction costs only. The local match requirement, design and engineering, and other non-participating costs will be the responsibility of the local requesting agency(s). Federal funds are capped with overruns being local responsibility.

Projects utilizing federal funds are typically funded with 80% federal funds and require a 20% Non-federal match. The FAST Act allows for a "sliding scale" which is defined under 23 U.S.C. 120(a) and (b) authorizes an upward adjustment to the Federal share for a State containing Federal and nontaxable Indian lands. This option is available for local agencies to increase the federal funding portion to 81.85% and lower the local match portion to 18.15% for road projects. If an agency chooses the "sliding scale" option, the funding amounts on the 2606 forms will reflect the percentages and will be programmed manually in JobNet to reflect the increased percentage of federal funding.

For transit project applications, please provide a description in addition to the project costs. The minimum 20 percent match is provided by CTF funds. If local funds are also added, please indicate the amount of the additional local funds on the form.

PUBLIC INVOLVEMENT

The FAST Act requires that the public have reasonable opportunity to participate in the selection process and comment on projects to be included as part of the Statewide Transportation Improvement Program (STIP). The RPAs are responsible for scheduling meetings and submitting applications on behalf of the small urban area. Each small urban area requesting funding is responsible for notifying the citizens and elected officials within their community of the opportunity to participate in the project selection process prior to submittal to MDOT. A minimum of one public meeting of the local project selection committee must be held to select projects and assign priority ranking. Notice of the public meeting must be advertised in a local news publication or internet webpage.

A copy of the meeting announcement from a local news publication or internet webpage must be submitted with the project applications.

PROJECT SELECTION

MDOT is responsible for final project selection for the Small Urban Program and administration of the federal-aid transportation program. Selected projects will be included in the Statewide STIP. Areas within an MPO boundary must consult with the MPO to determine the process for adding funded projects to the MPO TIP.

For project(s) to be considered for funding, the following application information must be submitted to MDOT by the requested due date:

- 1) A completed small urban project application (MDOT Form 2606/2638) for each project.
- 2) Minutes of the project selection committee meeting and/or a letter of support with the signatures of all members of the project selection group.
- 3) A copy of the public announcement from a local news publication or internet webpage.
- 4) Local financial assurance of project match.

Please submit application materials to Mark Kloha at kloham@michigan.gov.

MDOT ASSISTANCE

The Statewide Planning Section has responsibility for administering the Small Urban Program. Questions regarding the Small Urban Program should be directed to Mark Kloha, Small Urban Program Manager, at kloham@michigan.gov or 517-241-3675.